Rhode Island Executive Office of Health and Human Services
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Date: June 3, 2015

Docket # 15-680
Hearing Date: May 6, 2015

[redacted]

ADMINISTRATIVE HEARING DECISION

The Administrative Hearing that you requested has been decided for you. During the course of the proceeding, the following issue(s) and Agency regulation(s) were the matters before the hearing:

EXECUTICE OFFICE OF HEALTH AND HUMAN SERVICES (EOHHS)

HSRI POLICY MANUAL, CHAPTER 12, H – TERMINATION, BILLING AND LATE PAYMENTS

RULES AND REGULATIONS PERTAINING TO THE RHODE ISLAND HEALTH BENEFITS EXCHANGE §§ 4.3, 4.5

The facts of your case, the Agency regulation(s) and the complete administrative decision made in this matter follow. Your rights to judicial review of this decision are found on the last page of this decision.

Copies of this decision have been sent to the following: You (the Appellant), Noah Zimmerman, Esq., David Dee, Esq., and Lindsay Lang, Esq., HSRI Representatives.

Present at the hearing were: You (the Appellant) and Noah Zimmerman, Esq., HSRI Representative.

ISSUE: Should the Appellant's HSRI healthcare insurance start date be January 1, 2015?

EOHHS RULES AND REGULATIONS:
Please see the attached APPENDIX for pertinent excerpts from the Rhode Island Executive Office of Health and Human Services Medicaid Code of Administrative Rules (MCAR).

APPEAL RIGHTS:
Please see attached NOTICE OF APPELLATE RIGHTS at the end of this decision.

Please see the attached APPENDIX for pertinent excerpts from the Rhode Island Executive Office of Health and Human Services Medicaid Code of Administrative Rules (MCAR).

DISCUSSION OF THE EVIDENCE:

The HealthSource RI Representatives testified:

- On November 5, 2014 HealthSource RI (HSRI) issued everyone with coverage with HSRI a renewal notice, simply stating that their coverage is going to end December 31, 2014 and that they will need to renew their plan. On the second page of this notice it clearly states that the last possible day to pay for coverage that begins in January is January 15, 2015.
- HSRI records show that the Appellant called them and selected a healthcare plan on November 22, 2014 for the 2015 year. Notes from the HSRI Call Center state that a HSRI representative informed the Appellant that she had a balance on the account that the Appellant would need to pay first. HSRI records show that the Appellant made another payment on December 1, 2014 that would pay the balance of her account in full for the 2014 year. This payment was not applied to the new plan that would have begun January 2015 but to the Appellant's 2014 balance. Therefore, since no payment was not received, the 2015 plan was never effectuated.
- The reason that the Appellant had received a bill (invoice date of December 8, 2014) stating that she didn't owe anything was because she didn't actually enroll in a plan; the enrollment process isn't just selecting a plan, it also requires making the first payment. And in this case, the first payment wasn't made.
- HSRI records are not clear as to who called who but on January 19, 2015 there had been a telephone conversation between the Appellant and customer service, assisting the Appellant in enrolling into a plan.
- HSRI records reflect that they received two payments from the Appellant on January 20, 2015, which went to cover February and March 2015.
- With the Appellant completing her application and making a payment, on January 20, 2015, HSRI issued a bill to the Appellant on January 21, 2015 for February 2015.
- There is no record of a bill being issued to the Appellant for January 2015 because she never completed the enrollment process by making a payment.
- As a result of receiving a payment on January 20, 2015, HSRI issued an "Enrollment Notice" with the amount of the monthly premium, the name of the healthcare plan and the effective date of February 1, 2015.

The Appellant testified:

- In November of 2014, the Appellant received a notice from HealthSource RI (HSRI) regarding healthcare coverage for 2015 indicating that she needed to re-apply, she called HSRI, picked a plan and she thought that she was all set. The plan/policy that she picked had a monthly premium of $198.00. She was never told that she needed to pay in order for the policy to start; she waited for a bill but did not receive one.
- In January 2015, the Appellant had gone to a doctor for a test and received a bill. She later found out that she did not have healthcare coverage due to lack of payment. She wasn't aware of missing a payment since she had never received a bill which indicated what amount that she needed a payment.
- When she received the hospital bill, she called Blue Cross/Blue Shield (BC/BS) to find out what was the issue and she was told that a payment was not received; the Appellant then called HSRI.
- While speaking with a HSRI representative on January 20, 2015, the Appellant made two payments, one to be retro to January 1, 2015 and the other for February 2015. The Appellant doesn't recall if it was the HSRI representative or herself who suggested making a double payment, with one to be applied retro to January 2015.
- Although the Appellant made the double payment in January 2015, the HSRI representative wasn't sure if the healthcare plan could be retro to January 1, 2015. But since HSRI accepted the money, the Appellant figured it worked. Unfortunately, when the Appellant received her healthcare cards from BC/BS, the effective date was February 1, 2015.
- Having received her new BC/BS cards with February's date, she called HSRI and was told that they are still working on it, "it's in process". No one ever said anything about filing an appeal.
- The Appellant does not deny receiving the November 5, 2014 notice from HSRI; she claims that she just was waiting for a bill.
- The Appellant testified that when she enrolled over the phone in November 2014 for 2015, the representative did not inform her that she needed to pay before the end of the year, if she had, she would have paid. Or if she had received a bill for January 1, 2015, she would have paid that but she never received a bill in 2014 that she will owe for 2015.
- The Appellant received a bill / invoice dated December 8, 2014 stating that she had a $0.00 balance due as of December 23, 2014. The Appellant figured the bill that she would have received in January 2015 would be what is due but it didn't come.
- The Appellant would have waited until she had coverage for the medical test had she of known that she wasn't covered. The Appellant feels that she followed the process but since she didn't receive a bill, she didn't make a payment.

The record of hearing was held open for two weeks, until May 20, 2015, for HSRI to submit copies of an Open Enrollment Notice, the Combined Notice of Eligibility and call notes from the HSRI Call Center that are related to this issue; copies were be sent to this Hearing Officer and to the Appellant.

FINDINGS OF FACT:

- On November 5, 2014 HealthSource RI (HSRI) issued everyone with coverage with HSRI a renewal notice, simply stating that their coverage is going to end December 31, 2014 and that they will need to renew their plan. On the second page of this notice it clearly states that the last possible day to pay for coverage that begins in January is January 15, 2015. The Appellant does not deny receiving this notice.
- HSRI records show that the Appellant called them and selected a healthcare plan on November 22, 2014 for 2015 that had a monthly premium of $198.00. Notes from the HSRI Call Center state that a HSRI representative informed the Appellant that she had a balance on the account that the Appellant would need to pay first. HSRI records show that the Appellant made another payment on December 1, 2014 that would pay the balance of her account in full for the 2014 year. This payment was not applied to the new plan that would have begun January 2015 but to the Appellant's 2014 balance. Therefore, since a payment was not received, the 2015 plan was never effectuated.
- In January 2015, the Appellant had gone to a doctor for a test and received a bill. She later found out that she did not have healthcare coverage due to lack of payment. She wasn't aware of missing a payment since she had never received a bill which indicated what amount that she needed a payment.
- When she received the hospital bill, she called Blue Cross/Blue Shield (BC/BS) to find out what was the issue and she was told that a payment was not received; the Appellant then called HSRI.
- The Appellant's reason for not paying for her January 2015 healthcare was because she never received a bill.
- The bill that the Appellant had received (invoice date of December 8, 2014) stating that she didn't owe anything was because she didn't actually enroll in a plan; the enrollment process isn't just selecting a plan, it also requires making the first payment. And in this case, the first payment wasn't made.
- The Appellant testified that when she enrolled over the phone in November 2014 for 2015, the representative did not inform her that she need to pay before the end of the year, if she had, she would have paid. Or if she had received a bill for January 1, 2015, she would have paid that but she never received a bill in 2014 that she will owe for 2015.
- HSRI records reflect that they received two payments from the Appellant on January 20, 2015, which went to cover February and March 2015.

- There is no record of a bill being issued to the Appellant for January 2015 because she never completed the enrollment process by making a payment.
- As a result of receiving a payment on January 20, 2015, HSRI issued an "Enrollment Notice" with the amount of the monthly premium, the name of the healthcare plan and the effective date of February 1, 2015.

The record of hearing was held open for the HSRI to submit copies of an Open Enrollment Notice, the Combined Notice of Eligibility and call notes from the HSRI Call Center, as they would pertain to this issue. HSRI failed to provide any documentation that they had requested that the record remain open for.

CONCLUSION:

The issue to be decided is whether the Appellant's HSRI healthcare insurance should start date be January 1, 2015?

As part of HSRI annual open enrollment process, on November 5, 2014, HSRI issued to every primary policy holder, a notice informing them that their healthcare policies will end December 31, 2014 and that a new policies must be picked for 2015. Although a copy of this notice was not introduced into as evidence, the HSRI representative read from his computer screen that on the second page of this notice, the Appellant, as well as everyone else who received this similar notice, that the last possible day to pay for healthcare coverage that will begin in January is January 15, 2015.

The HSRI representative testified at Hearing that on November 22, 2014, the Appellant had contacted HSRI for assistance in picking a new healthcare plan for 2015. The Appellant was informed at that time that she could not pick a plan due to her owing a balance on her 2014 plan. The Appellant informed the HSRI customer service representative during the telephone conversation that she would make a payment ($224.52) and proceeded with picking a healthcare plan. The Appellant paid $224.52 on December 1, 2014, which made her account up to date. Soon after, the Appellant received an invoice from HSRI dated December 8, 2014 informing her that her balance is $0.00 as of December 23, 2014.

During the Hearing, the HSRI testified that in order to complete the application process, an applicate must make the first months payment and that once payment is made then a bill would issue. There are two particular Rules that pertain to this very issue. It is stated in the Rules and Regulations Pertaining to the Rhode Island Health Benefits Exchange §§ 4.3, 4.5

4.3 Initial Open Enrollment Period Coverage Effective Dates.
(a) To make coverage effective, qualified individuals must select a Qualified Health Plan and submit the balance of the first month's payment in full in accordance with dates established by the Exchange.

4.5 Annual Open Enrollment Period Coverage Effective Dates.

(a) Qualified individuals must select a QHP and the Exchange must receive the first month's premium in full in order to make coverage effective.
(b) Benefit Year 2015 and Beyond. The Exchange shall establish a deadline relative to the Annual Open Enrollment Period by which a qualified individual's first month's premium must be received in order to make coverage effective as of the first day of the benefit year.

Furthermore, the notice that HSRI issued on November 5, 2014 to the Appellant and every other policy holder, informs them that the latest that a payment can be received and be eligible for healthcare coverage that starts in January 2015, payment must be received by January 15, 2015. HSRI did not receive payment from the Appellant in this matter until January 20, 2015.

The Appellant testified that she had contacted HSRI in November to re-enroll in a healthcare plan for 2015, at which time she was informed that she had an outstanding balance for 2014 that would need to be paid in full before she can enroll for a 2015 healthcare plan. Having agreed to pay the sum of $224.52, the balanced owed for 2014, the Appellant continued forward with the assistance of a customer service representative from HSRI in picking a healthcare plan for 2015. The Appellant testified that she was never told that she must make payment before her healthcare plan can begin for January 2015. Although the Appellant had one late payment to HSRI in 2014, she always paid her bills. The Appellant also testified that had she received a bill to begin her coverage, she would have paid it, but how could she have paid a bill that she will not receive until she pays it? She did receive an invoice dated December 8, 2014 that informed her that as of December 23, 2014 that her balance due was $0.00. This invoice shows that the Appellant had made two payments, one on November 3, 2014 and the other on December 1, 2014, both in the amount of $224.52. The Appellant acknowledges that the payment made on December 1, 2014 was a payment made for a month in 2014 that she had missed paying for and not for 2015. She was waiting for a bill to pay for January 2015.

During the first week of January 2015, the Appellant had a scheduled test to be done by a doctor at a hospital. On January 20, 2015 the Appellant receives a doctor/hospital bill for roughly $700.00 and calls BC/BS to find out why they had not paid it. A representative from BC/BS informed the Appellant that she doesn't have coverage due to her lack of payment. The Appellant then calls HSRI to find out more information and was told that since she did not pay her HSRI healthcare insurance for BC/BS, she doesn't have coverage. Again, the Appellant stated that had she received a bill, she would have paid it. The Appellant doesn't recall if it was her or the HSRI customer service representative that suggested that she make a double payment, one for retro coverage to January 1, 2015 and the other for February 2015. The other reason for making a double payment was that since it was already January 20, 2015, the Appellant only had until January 23, 2015 to pay for February 2015. When the Appellant received her medical cards, she noticed

that they had a start date of February 1, 2015. The Appellant then call HSRI to question the start date and was told that HSRI is still working on her issue and that it will take time; she was never told about filing an appeal.

The Appellant's dispute isn't with the amount of her bill from HSRI, it's the fact that she is expected to pay her HSRI bill before a bill is even issued to her. HSRI Policy Manual, Chapter 12 – Termination, Billing and Late Payments states in part:

> H. Billing
> The Exchange's financial management system is the system of record for most of the financial transactions that are related to billing. Payment is always due in advance of the coverage month to which that payment applies.
>
> Initial Invoices are sent during Open Enrollment and Special Enrollment Periods (SEP). An initial invoice is generated the day after a plan selection has been made. Initial and SEP invoices have a payment due date of the 23rd of the month, except during October, November, and December 2013 where the payment due date on an initial invoice is December 15, 2013 for an effective coverage date of January 1, 2014.
>
> Ongoing invoices for both the individual market as well as SHOP enrollees will be processed on the 25th of the month (circa six weeks before the start of the coverage month to which such payment applies), with payment being due on the 23rd of the following month (the month before the coverage month to which such payment applies).
>
> Initially, both monthly and recurring payments can be made online through the user's online account with HealthSource RI. It is important for account holders to understand that payments made through their online account will be processed by HealthSource RI immediately.

There had been no testimony or evidence submitted that indicates that HSRI ever issued an Initial Invoice to the Appellant. When HSRI was asked if there had ever been a bill that would have issued for January 2015 the reply was no, because a bill will only issue once an application is completed and since the Appellant never paid her first bill for 2015, a bill would not have issue. It could be understood if a receipt issued after a payment was received but there appears to be some confusion as to why an applicant who made a payment would receive a bill. But more importantly, HSRI did not dispute any of the Appellant's testimony or present any conflicting evidence, even though the record of hearing had been held open for this purpose.

By HSRI's own account, the Appellant called them on November 22, 2014 seeking some assistance with re-enrollment for 2015. Prior to picking a healthcare plan that would begin for 2015 the Appellant was informed that she had to pay in full the balance for her 2014 coverage, $224.52 and then proceeded with picking a 2015 healthcare plan. The Appellant provided undisputed testimony that she was informed that the plan that she picked for 2015 would be 198.00 and was not informed as to when payment should be made by. HSRI had requested and granted addition time to present call notes with regards to the November 22, 2014 telephone conversation between the Appellant and a HSRI customer services representative, which was part of the reason why the record was held open two weeks after the hearing but call notes have never been submitted. Although the notice issued November 5, 2014 does inform enrollees that the latest payment can received for coverage for January will be January 15, 5015, there was no discussion as to an Initial Invoice ever being issued. By HSRI's own policy, "An initial invoice is generated the day after a plan selection has been made." (Id.) Had HSRI issued the Initial Invoice on November 23, 2014, the day after the Appellant picked a plan; it would have provided time and notification for the Appellant to make a payment it time. Instead, on December 8, 2014 a HSRI invoice issued informing the Appellant, she had $0.00 past due, $0.00 in new charges and that $0.00 was the total due as of December 23, 2014.

In early January 2015, the Appellant testified that she had a non-emergency medical procedure that she would have cancelled had she known that she no longer had healthcare coverage. It wasn't until the Appellant received a medical bill did she find out that she had no healthcare coverage due to lack of payment. The Appellant calls HSRI on January 20, 2015, who confirms that since HSRI did not receive a payment from the Appellant for the new coverage that began 2015, she has no insurance. The Appellant makes two payments hoping for retro coverage as of January 1, 2015 and one for February 2015; it was not determined who suggested this proposal but HSRI accepted the funds and/or did not indicate that retro coverage wasn't possible. Shortly thereafter, the Appellant receives her BC/BS healthcare cares with a start date of February 1, 2015. HSRI testified that since they received payment on January 20, 2015, they issued a bill for February on January 23, 2015, which happens to be the latest day of the month to make payment to be eligible for the following month.

In conclusion, the Appellant telephoned HSRI to enroll for 2015 healthcare on November 22, 2014 and picked a plan that would require her to pay $198.00 per month. The Appellant was not informed that she is required to pay $198.00 before the 23rd of the month in which coverage would start (December 23, 2014) to be eligible for coverage to start January 1, 2015. Instead, the Appellant waits for a bill to be sent in the mail. The Appellant does receive an invoice dated December 8, 2014 which states that she has no past due charges, no new charges and as of December 23, 2014, nothing is owed. The Appellant should have received an Initial Invoice that should have issued November 23, 2014, in accordance with HSRI Policy, Chapter 12, section H. Had the Appellant received her Initial Invoice and

been informed, she would have made payment similarly as she did on December 1, 2014 and January 20, 2015.

ACTION FOR THE HSRI AGENCY

HSRI is to issue the Appellant her Initial Invoice that will reflect her January 1, 2015 bill which will include a timeline in which this invoice will be paid by. If the Appellant pays the January 2015 bill within the timeline that HSRI sets forth, the Appellant will be granted retro-active coverage as of January 1, 2015.

Failure on the Appellant part to take action upon receiving the Initial Invoice and making a timely payment will void any other action by HSRI.

HSRI will have 30-days from the date of this decision to take the above action and to notify this Hearing Officer in writing of the completion.

After a careful review of the Agency's policies, as well as the evidence and testimony given, this Appeals Officer finds that the Appellant's HSRI healthcare insurance should start date be January 1, 2015. The Appellant's request for relief is therefore granted.

Appeals Officer

APPENDIX

HSRI POLICY MANUAL

Chapter 12 – Termination, Billing and Late Payments

H. Billing

The Exchange's financial management system is the system of record for most of the financial transactions that are related to billing. Payment is always due in advance of the coverage month to which that payment applies.

Initial Invoices are sent during Open Enrollment and Special Enrollment Periods (SEP). An initial invoice is generated the day after a plan selection has been made. Initial and SEP invoices have a payment due date of the 23rd of the month, except during October, November, and December 2013 where the payment due date on an initial invoice is December 15, 2013 for an effective coverage date of January 1, 2014.

Ongoing invoices for both the individual market as well as SHOP enrollees will be processed on the 25th of the month (circa six weeks before the start of the coverage month to which such payment applies), with payment being due on the 23rd of the following month (the month before the coverage month to which such payment applies).
Initially, both monthly and recurring payments can be made online through the user's online account with HealthSource RI. It is important for account holders to understand that payments made through their online account will be processed by HealthSource RI immediately.

Valid payment methods will include ACH, check, or money order.

The financial management system will have a three-step billing process that takes place every month:

1. Premium line creation: Creates a premium line item for every policyholder on an account. This includes all employees on a SHOP account and all subscribers within an individual account.
2. Statement creation: Rolls up all new charges, together with all other transactions that have occurred since the last billing cycle, into a single statement at the account level.
3. Statement delivery: Creates a file to be used in the creation of paper statements to be mailed and PDF statements to be posted to the web. This process also sends an email to those accounts where a paperless option has been chosen

The Exchange will allow Indian tribes, tribal organizations, and urban Indian organizations to pay aggregated QHP premiums on behalf of qualified individuals.

RULES AND REGULATIONS PERTAINING TO THE RHODE ISLAND HEALTH BENEFITS EXCHANGE

4.3 Initial Open Enrollment Period Coverage Effective Dates.

(a) To make coverage effective, qualified individuals must select a Qualified Health Plan and submit the balance of the first month's payment in full in accordance with dates established by the Exchange.

4.5 Annual Open Enrollment Period Coverage Effective Dates.

(a) Qualified individuals must select a QHP and the Exchange must receive the first month's premium in full in order to make coverage effective.

(b) Benefit Year 2015 and Beyond. The Exchange shall establish a deadline relative to the Annual Open Enrollment Period by which a qualified individual's first month's premium must be received in order to make coverage effective as of the first day of the benefit year.

NOTICE OF APPELLATE RIGHTS

This Final Order constitutes a final order of the Department of Human Services pursuant to RI General Laws §42-35-12. Pursuant to RI General Laws §42-35-15, a final order may be appealed to the Superior Court sitting in and for the County of Providence within thirty (30) days of the mailing date of this decision. Such appeal, if taken, must be completed by filing a petition for review in Superior Court. The filing of the complaint does not itself stay enforcement of this order. The agency may grant, or the reviewing court may order, a stay upon the appropriate terms.

This hearing decision constitutes a final order pursuant to RI General Laws §42-35-12. An appellant may seek judicial review to the extent it is available by law. 45 CFR 155.520 grants appellants who disagree with the decision of a State Exchange appeals entity, the ability to appeal to the U.S. Department of Health And Human Services (HHS) appeals entity within thirty (30) days of the mailing date of this decision. The act of filing an appeal with HHS does not prevent or delay the enforcement of this final order.

You can file an appeal with HHS at https://www.healthcare.gov/downloads/marketplace-appeal-request-form-a.pdf or by calling 1-800-318-2596.